



**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-3
AGENDA DATE: Thu 03/23/2006
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SUBJECT: Approve the negotiation and execution of a Rental Housing Development Assistance Program loan to Youth and Family Alliance, Inc., dba LifeWorks, in an amount not to exceed \$300,000 to develop a six-unit, 12-bed transitional housing facility for low-income homeless youth and young adults located at 3710 South 2nd Street, subject to environmental assessment and in compliance with applicable federal requirements, including Code of Federal Regulation Title 24 Section 85.40 performance goals.

AMOUNT & SOURCE OF FUNDING: Funding is available in the City of Austin Housing Trust Fund in the Fiscal Year 2005-2006 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Housing Finance
DEPARTMENT: Corporation

DIRECTOR'S
AUTHORIZATION: Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108.

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

Approval of this loan will enable Youth and Family Alliance, Inc., dba LifeWorks to expand its current transitional housing program by renovating its emergency shelter facility measuring approximately 3,800 square feet in size at 3710 South 2nd Street into a six-unit, 12-bed transitional housing facility. The renovation will result in LifeWorks relocating and expanding its emergency shelter to an adjacent property currently being used as administrative offices. The proposed renovation includes the construction of a central kitchen and dining area which will join and serve both facilities. Upon approval, the project will be subject to all applicable federal environmental review and fund release requirements.

Youth and Family Alliance, Inc., dba LifeWorks, is a non-profit 501(c)(3) organization established in 1998 through the merger of four local non-profit agencies: Youth Options, Child and Family Services, Pathways Community Counseling and Teenage Parent Council. LifeWorks provides numerous services to the community, including emergency shelter and transitional housing and supportive services for low-income homeless youth and young adults, pregnant youth and young adults with children, and youth transitioning to independent living from foster care.

LifeWorks currently serves approximately 40 individuals annually through its transitional housing program. Upon completion of the proposed facility, the transitional program is anticipated to serve an additional 20 individuals per year, many of whom will be low-income homeless pregnant youth or homeless youth and young adults with children.

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Annual incomes of residents in the facility will not exceed 50% of the Austin area's median family income (MFI - currently \$24,900 for a one-person household) as established by the United States Department of Housing and Urban Development (HUD). However, the majority of residents will have yearly incomes of no more than 30% of the Austin area's MFI (currently \$14,950 for a one-person household). Rents will be determined on a sliding scale not to exceed 30% of an individual's monthly income. Upon completion, at least four beds in the facility will be accessible for persons with mobility, hearing and vision disabilities.

LifeWorks provides numerous services to residents in its transitional housing program which is designed to increase an individuals' ability to achieve greater independence and self-sufficiency. Supportive services include meals, clothing, medical screenings, case management, chemical dependency counseling, individual and group counseling, life skills training, transportation, educational and employment services, and referral to other supportive services agencies. Treatment for chemical dependency and substance abuse will not be provided at the newly proposed facility but will be available to residents at alternate locations.

The project was received in response to the Rental Housing Development Assistance (RHDA) program's Notice of Funding Availability (NOFA) that provides financial assistance for the development of affordable rental housing for low- and moderate-income households and persons with special needs. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
RHDA funds	\$ 300,000	Property	\$ 192,942
Owner equity	192,942	Predevelopment	45,851
Donations/contributions	<u>110,722</u>	Construction	278,883
Total	\$ 603,664	Furnishings	46,138
		Landscaping	1,875
		Contingency	27,888
		Soft costs	<u>10,087</u>
			\$ 603,664

Performance measures associated with the project are as follows:

- Develop a six-unit, 12-bed transitional housing facility for individuals with yearly incomes not to exceed 50 % of the Austin area's MFI.
- Develop a minimum of four beds in the facility accessible for persons with mobility, hearing and vision disabilities.

Following Board approval, a forgivable deferred-payment loan in an amount not to exceed \$300,000 for a term of 20 years at a yearly rate of interest of zero percent will be negotiated and executed with LifeWorks. The principal loan balance will be forgiven at the end of the 20-year loan term contingent upon LifeWorks meeting the conditions of the loan agreement.

The requested funding is available in the Fiscal Year 2005-06 Austin Housing Finance Corporation (AHFC) budget allocation, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for

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the development of affordable rental housing for low- and moderate-income households and persons with special needs.